

Afghanistan Trade Logistics Study

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**Jan Tomczyk, Trade Facilitation / Trade Logistics Expert
Fellow of the Chartered Institute of Logistics and Transport, UK**

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Afghanistan Trade Logistics Study Content

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- Challenges
- Trade logistics strategy
- Promoting private investment
- Strengthening public private partnership
- Preliminary infrastructure and technical assistance ideas

Introduction

- Exports: dried fruit and nuts, vegetables and carpets
- Intraregional trade: Pakistan main trading partner 98% exports and 44% imports
- Transport corridor border crossing usage:
Torkham 450-500 trucks each day

Islam Qala 200

Hairatan 10-60 wagons and 2 weekly ferries

Shirkhan Banda 1-10 trucks each week

Challenges 1: logistics performance indicators

- Logistics world ranking 150
- Customs ranking 150
- Infrastructure ranking 150
- International shipments 150
- Logistics competence 150

Challenges 2: logistics performance indicators

- Tracking and tracing 150
- Domestic logistics costs 40
- Timeliness 150

Challenges 3: logistics performance indicators

- Rate of physical inspection 100%
- Customs clearance days 3.8
- Lead time export days 14
- Lead time import days 20.7
- Number of export agencies 2.3

Challenges 4: logistics performance indicators

- Number of import agencies 3.3
- Review procedure chance 33%
- Typical charge for a 40' export container \$1,260 or \$3,000 to \$6,000
- Typical charge for a 40' import container \$1,817 or \$3,200 to \$6,200

Challenges 5: regional trade, transport and transit

- Transaction leakages across border loss of customs revenue
- Transshipment instead of transit increases shipment costs
- Trucking to Afghanistan stops at BCP
- Kazakhstan trucking companies transship goods at BCP to Afghan trucks

Challenges 6:

trade logistics constraints

- Neighbouring country economy competitiveness
- Customs issues
- Trade policies
- Preferential trading arrangements
- Cargo transshipment at BCPs
- Truck transit permits

Challenges 7:

trade logistics constraints

- Truck standards and truck axle weight differences in each country
- Truck driver visa regulations
- Metrology testing and quality standards
- Transit trade agreements: 33, APTTA most important but not enacted
- Seaport and border crossing warehousing and handling equipment

Challenges 8:

trade logistics constraints

- Poor roads connecting 'ring-road'
- Informal road check points
- Lack of truck service support
- Long time spent waiting at border crossing points and ICDs
- Old truck fleet
- Weak private and public sectors

Challenges 9:

trade logistics constraints

- Distance from seaports and markets
- Landlocked challenge: time to market
- Lack of chilled and cold storage
- Slowly developing banking, bonded warehousing and standards certification
- Limited automation and IT use

Trade logistics strategy 1: Afghan Customs Department

- Import steps reduced from 27 to 5
- Customs revenue up 38%
- Extra 50,000 declarations
- ASYCUDA needs 100% completing
- ASYCUDA for Jalalabad ICD

Trade logistics strategy 2: Afghan Customs Department

- National performance indicators started but not at each BCP
- Need container truck lanes at BCPs
- Transshipping adds costs and time
- Need to pilot bonded carrier method
- BCD and ICD handling equipment

Trade logistics strategy 3: Afghan Customs Department

- Regionally agree common container seals
- Supply chain security equipment and management methods
- Time-release part of 5-year strategy
Longer opening hours at BCPs
- Longer BCP opening hours
- One stop one fee

Trade logistics strategy 4:

Ministry of Commerce

- ASYCUDA can manage T2 truck permits
- Trade facilitation audit and benchmarking
- Trade and transit agreements: APTTA Trade and Tariff Policy
- Shirkhan border crossing bridge
- TIR
- Logistics Performance Indicators

Trade logistics strategy 4:

Ministry of Transport

- Need TIR truck testing and certification
- Regionally agree right hand drive trucks. 70% Afghan trucks RHD
- Truck axle weights: Afghan 7 ton, Pakistan 12 ton
- Road permits: use GMG model
- Need transport corridor survey

Trade logistics strategy 5: Ministry of Transport

- Weighbridges needed at BCPs
- New Kabul passenger terminal but no air cargo centre plans
- Need for Kabul air cargo centre
 - estimated 30% air cargo increase with new air cargo centre
 - regional airport air cargo centres

Trade logistics strategy 6: Ministry of Foreign Affairs

- Trade and transit agreements
- Truck driver visas

Ministry of Interior

- Supply chain security
- IT links with BCPs and ICDs

Trade logistics strategy 7: Ministry of Public Works

Roads

- Afghan part of CAREC transport corridor 6c and 5 ready from Hairatan to Torkham
- Most of Afghan CAREC transport corridor rehabilitated by 2009
- Dual carriageway Kabul Jalalabad
- 75% of regular highways paved

Trade logistics strategy 8: Ministry of Transport

Rail

- Pakistan agreed Jalalabad to Torkham BCP
- Iran border to Herat 124kms started
- Iran Tajikistan PRC 630kms US\$2 billion
- Pakistan Chaman to Spin Boldak to Kandahar
- Feasibility funding for Herat/Turghundi
and Hairatan/Mazar-e-Sharif/Kabul rail

Trade logistics strategy 9: Ministry of Transport

Rail

- Five station study Islam Qala to Hairatan
- Feasibility needed calculating tonnages Karachi and Bandra Abbas
- Chinese mining company funding Kabul Torkham
- Rail multi model terminal Dehsabs

Trade logistics strategy 10:

Export Promotion Agency

- Single window system (SWS)
- Completed export document analysis
- Reducing number of export Documents
- One stop shop started Kabul airport reducing 12 steps to 1
- Export document template

Trade logistics strategy 11:

AAFFCO

- 200-hour FIATA freight forwarding staff training programme and training materials
- AAFFCO member negotiating using Charbahar seaport equipment and warehousing
- Lack of IT and low staff capacity
- Logistics centres needed Kabul

Trade logistics strategy 12: ATOA

- 30,000 trucks
 - Financing for newer trucks and trailers
 - Trucking monopoly at some BCPs
 - ATOA driver surveys at BCPs
 - Transport training and certification
- ATOA should go private

Trade logistics strategy 13: Associations

AFPRO

- Trade facilitation, trade and transit and trade logistics forum needs joining all Government committees and initiatives

ACCI

- TIR Carnet Department
- TIR training with IRU

Implementing Afghanistan Trade Logistics Strategy

- Donor agency funding trade logistics feasibility studies and training
- Government action on trade and transit agreements
- Afghan Inter Ministry CAREC meetings Comprehensive integrated strategy
- Government commitment and willingness

Promoting private investment

- Access to finance
- SME finance and business planning
- Line ministries start BOT and build some logistics centres
- Line ministry and private company training
- Difficult challenge: lack of skills

Strengthening public private partnership

- Allow AFPRO access to trade facilitation, trade and transit and trade logistics meetings and initiatives
- Develop BOT
- Create Customs Consultative Council
- Further develop banking and trade finance
- Further develop insurance
- Make PPP meaningful

Preliminary infrastructure and technical help ideas 1

- Logistics centre feasibility studies
Torkham/Jalalabad, Hairatan and Islam Qala
- Multi modal terminal with ICD and logistics centre at Dehsabs Kabul
- New Kabul Airport Air Cargo Centre
- Single window system help

Preliminary infrastructure and technical help ideas 2

- Help redesign some BCPs segregating passengers from truck lanes
- Create container truck lanes at BCPs
- Help make training part of Afghan VET system
- Help creating new railway department

Tesherkur Thank You

Jan Tomczyk, FCILT

Fellow of the Chartered Institute of Logistics and Transport, UK

ADB TA 6299: Afghanistan trade facilitation / trade logistics expert

E-Mail: tomczykjan@yahoo.co.uk

Mohammad Raza Jawad

Regional Cooperation Coordinator

ADB Afghanistan Resident Mission

Tel Office: +93(0) 20 210 3602

Mobile: +93(0) 799 333 432

E-Mail: mrjawad@adb.org

www.adb.org

